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# On the Motives of Industrial Enterprise<sup>1</sup>

By B. PRESTON CLARK

Vice-President, Plymouth Cordage Works, Boston, Mass.

**I**T is to me a privilege to discuss briefly this subject of prime interest to us all. Because I am entirely sure that however much we might differ in methods, the main purpose of our lives is largely the same. There may be differences between us; there should be no antagonism.

In approaching any such subject, our attitude is apt to be based on certain deep-seated beliefs, which have become part of our life and of our thinking. This is peculiarly true of the subject of this paper. Before we can reach any conclusion we must go, so far as we are able, to the root of the matter. We must be true radicals. For the true radical is, I think, he who tries to go to the root, rather than he who would 'pull up the plant, root and all. So I will try to give my thought on four points.

1. What the nature and the ultimate object of industry is.
2. What the industrial struggle itself really is.
3. What should be one's attitude toward organized labor?
4. Can industry be made democratic and remain efficient?

What then is the nature and the object of industry? A generation ago an industrial unit was conceived of largely as a money making machine, and this had been increasingly true for nearly a hundred years, as modern industrial units grew in size, and as their money making capacity was realized.

The great business men of forty years ago believed that we must build immense industrial machines, and they were built. Huge, forceful, and yet necessary, as is every step in the world's progress. But they met with unexpected obstacles in legislation, that crystallization of public opinion, and in the great labor unions. Many of them broke down on the human side. Sometimes the machines grew bigger than the men who ran them, and they smashed. Natural enough, for after all, the size of any industrial

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unit is apt to be measured by the length of one man's shadow. Many of them survived and grew in power.

Today a new conception has arisen. An industrial unit is conceived of by some of us today, not as a machine, but as an organism, something alive and growing, with a wise understanding, almost an instinct, for the newer industrial knowledge. This conception of an organism is valuable and suggestive, nor does it mean the elimination of that magnificent genius for individual leadership which has made American business what it is.

For what is the law of life in an organism? Take the human body. The head, the hands, the eyes, *must* recognize each other's value. They bandy no words as to class distinctions; and it is a primary fact of human consciousness that no part of the body, or indeed of any organism, can be damaged without injury to the whole.

I need not make the application to industry, for you will already have made it yourselves. If the industrial unit is in its essence an organism, with mutually interdependent parts, then its ultimate purpose is self-evident. However little in the past this may have been recognized, it is yet true that that purpose *is* the highest development, physical, mental, moral and spiritual, of every person connected with the organization, through the accomplishment by that organization of its special social function in the most perfect possible way; and also and most important, some fair adjustment of the equities of those within the organization (its management, its workers and its capital) with the equities of the great public which it serves.

Some incredulous spirits may say that this is not an accurate photograph of business today in America, and I frankly allow that we are far from the ideal. We in America are wonderful mechanics; we have learned some of the elements of industrial chemistry, but we are just learning the ABCs of the great social chemistry and the human values, through which some day the imagination and the united good will of all the workers will joyfully contribute to the success of a business. It is true that we have yet far to go. But I also submit that we are not the only human activity which still sees its goal far above it. We partly are and hope wholly to be.

My application to industry may sound novel, but in the thought

itself there is nothing new. It is as old as the world. From the dawn of humanity, to accomplish anything in life, two things have been necessary. There must be the vision. The architect, the sculptor, the statesman, each one of these must have in his heart a picture of the splendid thing he means to create. But that vision will help the world not at all, so long as it exists in his mind alone. It must be made real in the stone, the wood, the marble.

And in industry the vision of men and women, working happily and gladly under right conditions, at something of use to the world, and in which they are themselves interested; such a vision, I say, must be made real through such wise humanity and keen intelligence as will result in the business maintaining itself industrially. Playing the game squarely and playing it hard, they would call it in the West.

The best human accomplishment always has been and always will be, some vision of truth or beauty, transmuted into fact, through hard, sustained effort. Such is my thought of the essence and the purpose of industry, and so conceived it is of fully equal dignity with any art or with any science.

For while the medium of the artist is wood, stone, marble, that of industry, rightly conceived, is human nature itself, with its lights and shadows, its heights and depths, its sunlight, its moonlight and its darkness; and always with capacities for the best which we never fully grasp. The uncommon quality of the common man is a constant miracle.

You may say, and you will say with truth, that industry has been, that it is indeed still, thought to be largely concerned with the making of money. But what is happening is this. Dr. Felix Adler saw and stated his conception of industry, which I have largely used, sooner than most of us, yet all over this country today, wise leaders of industry well know that in order to make money they must regard the human factor, that unknown quantity X on which so many businesses have suffered shipwreck.

The men of the future see that industry and humanity are inseparable in any successful business, and well it is that this is so. It is as a practical business man that I speak, and not as a theorist. Let me say that in my judgment human nature is alike the raw material of industry, its finished product, and the means through which the process takes place.

Now let us turn for a moment to consider what this industrial struggle really is. Many good people never sense what it is all about. It has been of course a battle, and in the past, as the history of trade unionism shows, it has been too much a battle between classes. Hard fought and with varying fortunes, and resulting today in two enormous forces—organized labor and organized capital—striving, with an awful waste of effort, like two gigantic tug of war teams.

Here again we must get a new conception, which comes with our increasing democracy. Class lines are being obliterated everywhere. The robber baron has been put out of business by the ballot, the martyrs are no longer tortured, the slave has fought his way to freedom. Freedom, physical, religious, political, is to be the heritage of the world, though more slowly than many of us would wish.

Today the fighting line of this great struggle for freedom is in industry, in the great workshop of the world, where most men and many women spend a large part of their waking hours. And this struggle, my friends, is increasingly, and because we are gradually becoming truly democratic, not between the classes. It is between the men and women of every class who stand for a broad and human sympathy, for a constructive democracy, and those darker hosts who through ignorance or through malice, would set class against class. The cleavage is vertical, not horizontal; and you will bear me out when I say that each one of us today finds allies, and each one of us finds opponents, in our own class, whatever it happens to be, and in every other class. For no special group in the community has a monopoly of all the good or all the evil. Human nature as a whole can be trusted. It is the small minority, who play the game unfairly, who make the trouble for the rest.

To think clear of class and with real democracy, is in my judgment a prime requisite in approaching any human question, and I wonder whether you find this as difficult to do as I do.

To size up a man as a man, independent of those accidents by which our judgment is so apt to be affected, is far from easy. We habitually group people in our thinking. This is natural and proper, but our error lies in our believing this grouping to be fundamental. Employers. Working people. These are hardly more

than catch words. The only human grouping which is fundamental, the only one to which when we are at our best any of us wish to belong, is that which includes all who walk upon two feet.

The ability in our thinking to pass freely over and through the barriers of class is of value, while inability to do so dwarfs and stunts a man's thinking.

The following story so well illustrates the limitation of purely class thinking that I must tell it.

A tailor was standing listening to the thunder of Niagara, in the mist that drifts eternally below the horse-shoe falls, and his only remark was "great place to sponge a coat." This story is not told at the expense of the tailor. It is told to help myself to remember how easy it is one's self to illustrate the Chinese proverb that, "A mouse can drink but his fill from the mightiest river." That one can only get a pint into a pint pot. Or as Carlyle used to put it, "The eye sees in everything what the eye brings with it the power of seeing." And of the many things that cloud our vision, class thinking is one of the most insidious.

Let us turn now from considering the nature and object of industry and the character of the industrial struggle, to organized labor. I approach this subject with a proper caution.

Two men were hoeing in a field in Florida. To them comes running a small boy, excited and out of breath. Says the boy, "There is a man in the marsh over here drowning, won't you come and help get him out?" The men stop and lean on their hoes. One of the men asks, "How deep is he in?" And the boy gasps back, "Up to his ankles." The men start hoeing again, one saying, "Oh, he will get out all right by himself." But they quickly drop those same hoes, and run swiftly across the field to the marsh after the boy has said, "Yes, but he's in head first."

It is indeed easy to get into the position of that unfortunate man in approaching the labor question.

I am neither for nor against organized labor. I am not indifferent to it. I do not fear it.

Organized labor exists largely because it has proved a practical expedient by which men could, through collective bargaining, get results in hours, wages and living conditions, which they had been unable to secure as individuals, and which they would, in a more ideal and human world, have secured as individuals. I would not

wish to see organized labor lose anything of that for which it has struggled so long and so hard, nor would I wish to see it weakened until working standards can be maintained by some other means.

On the other hand, a condition like the present, where too often labor and capital are engaged in a gigantic tug of war, means great waste of effort, and of money or stored up labor. It is not an ultimate solution. Simply a milestone in the world's history, and a very real and valuable one.

I am in favor of a fair honest day's work, but I am against any system which speeds up labor beyond what it can bear, by cutting the piece work rate, by long hours, or by too hard conditions. Equally am I against any system which sets a maximum day's work which shall not be exceeded by anyone. The best American living conditions must be maintained, and a wage which will make such conditions possible for the workers.

We must have increasing democracy in industry, but we must maintain leadership. Increasing coöperation between the employers and the workers will, I believe, point the way toward a condition far better than the present struggle between organized labor and organized capital.

Every employer who so treats his employes that they will not feel the need of organizing, will hasten this better day. Every employer who, by opposition or hostility, open or covert, to every form of collective bargaining or of shop committees, leads them, forces them to organize, has his face turned toward the dead past.

Every labor leader who tries with vision to work in coöperation with the best employers, will hasten this better day; and every labor leader who by thought or act sets class against class puts this day back.

In this matter of organization my belief is that if men are fairly treated, if the employer knows their desires and their needs, and meets them to the best of his ability, if there are not too many workers, so that he can keep really close to them, they are not apt to organize. In nearly forty years the working men with whom I have been closely associated have never organized. And at the same time I should never, and I have never opposed their doing so, should they feel like doing so.

Before drawing my conclusions, I wish to say a word of the time in which we are living. It is a new world, plastic as at the

Creation. Someone said the other day, "It is the year One." The war is, we hope, passing into history. "The tumult and the shouting die, the captains, and [very especially] the kings depart." And from this world struggle, two great human facts emerge, like mountain peaks in sunlight: the increasing power of the people and the value of human leadership. As these two powers combine or do not combine, so will the social structure in city, state or nation, be safe, constructive and beneficent, or dangerous, destructive and explosive. Either is possible, one of them will become the reality.

So the real task, the great adventure, is ahead of us. Like old John Paul Jones, we have just begun to fight. And what is it for which this country must work? It is for the same united will in peace that we had in war, and through which we did our part in winning it. Impossible, men say. But America has done the impossible in the past two years, and she will do it again, and yet again. And how shall we get that united will?

We shall get it through fine leadership, sympathy, coöperation. Coöperation, that factor in evolution which, as Prince Kropotkin has so well shown us, is at the last stronger even than the reign of tooth and claw. You are familiar, I know, with those wonderful contrasts he draws between the tiger and the reindeer, between the eagle and the ducks, between the carnivorous beetle and the bees and ants. In each case the creature which maintains itself by tooth and claw, is a rare creature, it occurs singly. In each case the harmless but coöperative race exists in hundreds, thousands, millions. It may well be that this is one of the lessons of the great war.

Coöperation—its power is colossal! Out of these forty races that throng America, each with its own special and splendid gift to make to the life of this great nation, there will come such a welding together as the world has never seen. I have that faith. You have it too.

We are at the last a unit, with a common future and with common problems. On our mutual understanding depends the future of our nation. "United we stand, divided we fall." These people, many of them so untaught and simple, many of them of the highest degree of intellect, and all so diverse, are very splendid. They make the bone and sinew of America. As one thinks of our



country today, he remembers what Abraham Lincoln said, that "God must have loved the common people very much, because he made so many of them."

I know and have always lived close to working people: this has been, I think, the greatest privilege of my life, and always my faith in them grows stronger. Never have they played me any mean trick, and the remembrance of their splendid loyalty and affection is always with me.

My conviction is strong that we do not need an American Labor Party. Such a party would in my judgment emphasize those class lines, which in industry and in life, we must work clear of. It would not be truly democratic; not in line to produce that united will which we need above all else.

I have spoken of the cramping character of class thinking. That in us which rejoices because we are something or have something that another human has not is about the meanest part of us; it lies at the root of pharisaism. Let me illustrate with the following story.

When I was a boy, so many years ago that I would be ashamed to say how many, I saw at a circus a race of monkeys on ponies. I can see them now, tiny wizened creatures, each looking back with joyous and derisive grimace at the next behind, the last little monkey of all making an extra ugly face though it was directed at vacancy. That sort of attitude allies each one of us, should we ever indulge in it—which far be it from me to suggest that we ever do—more closely to our arboreal ancestors, than we are apt to realize.

Class thinking is of the past. It is for each one of us to choose whether we shall look backward, like those monkeys, to those jungles from whence so long ago we came, or whether we shall, in faith and hope, and in a common comradeship, turn our faces forward whither we are bound.

If my conception of an industrial unit is sound; if it is in truth an organism, then in any given concern the common interests of the workers and the employer far outweigh their opposed interests. The old argument used to be that if there were a dollar to divide, there must be a struggle between labor and capital as to the exact number of cents that would go to each. This simile is rather crude, and lacking in imagination. If you and I are standing on a

street corner, and grasped in our joined hands are one hundred coppers, any struggle between us will surely result in some falling into the mud, to be recovered with difficulty, some perhaps going down the catch basin, not to be recovered at all. Net loss to us both. On the other hand, if we use our heads to see what we can together do with that dollar, it may easily become \$1.10 or \$1.25. That dollar may in fact become almost anything. It has the possibilities of fairyland under the magician's wand. And I am not talking fancifully. It is sound, practical business. It is what actually happens.

So any social alignment in America today, any crystallization, which emphasizes and strengthens class lines, is out of date. It runs counter to the nature of industry itself, as we are beginning to see it, it runs counter to those great tides of democracy against which anyone will pit his strength in vain. And, it would almost of necessity turn the thoughts of its members too much to the benefits which a single class might gain from industry, instead of leading them to see that the common welfare of all must be our real purpose. Such a party would simply invite counter-organization, also along class lines. Still the thinking would be horizontal, outward.

As I see it, what we must work for in industry is a genuine joining of forces, a fusing of the best leadership among all the groups, very especially among the business men and the leaders of labor, a tackling of the problems jointly. That sort of effort brings results every time; it sets forward democracy, without jeopardizing leadership.

As I am almost as much of a westerner in feeling as I am a Massachusetts man, I know you will pardon my giving one illustration of the sort of result such a fusing of leadership may bring.

Early in the war there was established in Massachusetts a commission with the chairman of our State Board of Labor and Industry as its head. Its other members were in equal numbers representatives of labor and of capital, who before being finally chosen were known to be mutually trusted by one another. The purpose of this commission was to decide that delicate question, when and how far our labor laws should be relaxed during the war, especially as regards the hours and conditions of labor of women and minors. In 547 cases passed on, we did not have one disagreement.

I will go further, and say that in my judgment wherever class lines are ignored, and management is sound, you will find industrial strength. It has been my privilege to be connected with a mining company operating in Mexico. About ten years ago we went there. We have tried to treat the Mexicans as human beings. We told them that we did not believe the current legend that no Mexican was worth more than two pesos a day, that with us if a man did the work, he would fare just the same, whether he were American or Mexican, that in all ways we should respect them and their wives and families as we would our own. We went to it as a human proposition. The effect was prodigious.

This attitude brought out the best there was in those people, and the best there was in us. For eight years and a half of revolution, under those southern stars, our mines and mills have never stopped. Today 7,000 men operate them, of whom 57 only are Americans, less than one per cent. Mexicans hold important positions all along the line. I could spend an evening telling you that story. How we have fed them, fought typhus and influenza with them, fought everything with them, and how they have done their part like men. Two things I must say. After Vera Cruz we insisted that all our Americans leave Mexico. The properties were left in absolute charge of Mexicans for eight months. They stole nothing; they allowed no one else to steal anything; they operated the plants successfully, and returned them to us in as good condition as when our Americans came out.

On another occasion \$250,000 in bullion was stolen from the company. Our 6,000 miners of their own motion saw to it that that bullion was returned within twenty-four hours, and within forty-eight hours it was on a Ward Liner bound for Liverpool. Do you wonder that I trust them?

I want to see leaders come out of the ranks of labor as well as from other groups, and I believe this will happen. The fable of the earth giant Antaeus is still true. Strength is at last in the people. But I believe that it is much more likely to happen if the best brains and hearts in industry, the men of vision and humanity—no matter to which group they belong—keep close together, keep in step, and thus learn from one another and learn to trust one another.

Mackenzie King has said that in the past the relations of capital

and labor have been those of fear born of mistrust, that in the future, if industry is to serve humanity, they must become relations of trust inspired by faith. He further says that the difference between heathenism and Christianity is that the one is founded on fear, and the other on faith. This is worth remembering. It is fundamental. And the mutual faith will not be at all strengthened either by labor parties or by capitalistic parties, or by any parties with class as their basis.

One other thought. Believing as I do that organized labor as a great conservative force should stand firmly today, I would not like to see it take a position which is more in line with the thinking of a generation ago than with that of the future.

Let me say in closing that these views are not mine alone. Were they so I might hesitate to advance them. It was my pleasure to sit with Henry Endicott on many of his War Arbitrations, and thus to come into intimate contact with many leaders both of industry and of labor, and what I have tried to express is, as I have found it, the belief held in common by the wisest and most constructive, and let me say, the most successful men of both groups.